



March 28, 2003

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## ENGROSSED SENATE BILL No. 433

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DIGEST OF SB 433 (Updated March 26, 2003 10:39 AM - DI 103)

**Citations Affected:** IC 25-34.1.

**Synopsis:** Appraisal fraud funding. Requires the real estate appraiser licensure and certification board to recommend a new fee to be imposed upon licensed or certified appraisers to fund the investigation of real estate or appraisal fraud. Establishes the investigative fund, to be jointly administered by the attorney general and the professional licensing board.

**Effective:** July 1, 2003.

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### Merritt

(HOUSE SPONSORS — MAHERN, BOTTORFF, BURTON)

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January 21, 2003, read first time and referred to Committee on Criminal, Civil and Public Policy.

February 27, 2003, amended, reported favorably — Do Pass.

March 3, 2003, read second time, ordered engrossed. Engrossed.

March 4, 2003, read third time, passed. Yeas 48, nays 0.

#### HOUSE ACTION

March 13, 2003, read first time and referred to Committee on Commerce and Economic Development.

March 27, 2003, amended, reported — Do Pass. Recommitted to Committee on Ways and Means.

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ES 433—LS 7802/DI 110+



March 28, 2003

First Regular Session 113th General Assembly (2003)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2002 Regular or Special Session of the General Assembly.

## ENGROSSED SENATE BILL No. 433

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A BILL FOR AN ACT to amend the Indiana Code concerning professions and occupations and to make an appropriation.

*Be it enacted by the General Assembly of the State of Indiana:*

1       SECTION 1. IC 25-34.1-2-6 IS AMENDED TO READ AS  
2       FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 6. **(a) Except as**  
3       **provided in subsection (b),** all funds collected under this article shall,  
4       at the end of each month, be reported to the auditor of state and  
5       deposited with the treasurer of state for deposit in the general fund. All  
6       expenses incurred in the administration of this article shall be paid  
7       from the general fund.

8       **(b) The commission shall establish a fee for real estate brokers**  
9       **and salespersons to provide funds for the purpose of administering**  
10       **and enforcing the provisions of this article, including investigating**  
11       **and taking enforcement action against real estate fraud and real**  
12       **estate appraisal fraud. All funds collected under this subsection**  
13       **shall be deposited in the investigative fund established by**  
14       **IC 25-34.1-8-7.5.**

15       SECTION 2. IC 25-34.1-3-9 IS AMENDED TO READ AS  
16       FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 9. (a) The commission  
17       shall establish fees under IC 25-1-8-2 to implement section 8 of this

ES 433—LS 7802/DI 110+



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chapter and to provide funding for the investigative fund established by IC 25-34.1-8-7.5.

(b) Notwithstanding IC 25-1-8-2, a fee ~~described in subsection (a) established under IC 25-1-8-2 to implement section 8 of this chapter~~ may not be less than fifty dollars (\$50).

(c) The board may collect a fee required by federal law and transmit the fees to the federal government as required by federal law.

(d) A fee described in subsection (a) is in addition to any fees required by federal law.

SECTION 3. IC 25-34.1-8-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 6. The board shall submit recommendations to the commission concerning the following:

(1) Implementation and operation of the real estate appraiser licensure and certification program under IC 25-34.1-3-8.

(2) Rules governing real estate appraisers licensed and certified under IC 25-34.1-3-8.

(3) Establishing a fee in an amount necessary to fund the investigative fund established by section 7.5 of this chapter.

(4) Rules governing the administration of the investigative fund established by section 7.5 of this chapter.

SECTION 4. IC 25-34.1-8-7.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 7.5. (a) The investigative fund is established to provide funds for administering and enforcing the provisions of this article, including investigating and taking enforcement action against real estate fraud and real estate appraisal fraud. The fund shall be administered by the attorney general and the professional licensing agency.

(b) The expenses of administering the fund shall be paid from the money in the fund. The fund consists of money from a fee imposed upon licensed or certified appraisers and real estate brokers and salespersons under IC 25-34.1-2-6 and IC 25-34.1-3-9.

(c) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public money may be invested.

(d) Money in the fund at the end of a state fiscal year does not revert to the state general fund. If the total amount in the investigative fund exceeds five hundred thousand dollars (\$500,000) at the end of a state fiscal year after payment of all claims and expenses, the amount that exceeds five hundred thousand dollars (\$500,000) reverts to the state general fund.

(e) Money in the fund is continually appropriated for use by the

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1 attorney general and the professional licensing agency to  
2 administer and enforce the provisions of this article and to conduct  
3 investigations and take enforcement action against real estate and  
4 appraisal fraud under this article. The attorney general and the  
5 professional licensing agency shall divide the money in the fund  
6 equally.

7 SECTION 5. IC 25-34.1-8-15 IS ADDED TO THE INDIANA  
8 CODE AS A NEW SECTION TO READ AS FOLLOWS  
9 [EFFECTIVE JULY 1, 2003]: **Sec. 15. The office of the attorney**  
10 **general and the professional licensing agency may use the**  
11 **investigative fund established by section 7.5 of this chapter to hire**  
12 **investigators and other employees to administer and enforce the**  
13 **provisions of this article and to investigate and prosecute real**  
14 **estate fraud and real estate appraisal fraud.**

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## COMMITTEE REPORT

Mr. President: The Senate Committee on Criminal, Civil and Public Policy, to which was referred Senate Bill No. 433, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 25-34.1-2-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 6. **(a) Except as provided in subsection (b),** all funds collected under this article shall, at the end of each month, be reported to the auditor of state and deposited with the treasurer of state for deposit in the general fund. All expenses incurred in the administration of this article shall be paid from the general fund.

**(b) The commission shall establish a fee for real estate brokers and salespersons to provide funds for the purpose of investigating and taking enforcement action against real estate fraud and real estate appraisal fraud under this article. All funds collected under this subsection shall be deposited in the investigative fund established by IC 25-34.1-8-7.5."**

Page 2, line 2, delete "an annual" and insert "a".

Page 2, line 9, after "is" insert **"established to provide funds for investigating and taking enforcement action against real estate fraud. The fund shall be administered by the attorney general and the professional licensing agency."**

Page 2, delete lines 10 through 11.

Page 2, line 13, delete "an annual" and insert "a".

Page 2, line 14, delete "educational" and insert **"real estate brokers and salespersons under IC 25-34.1-2-6 and IC 25-34.1-3-9."**

Page 2, delete line 15.

Page 2, line 26, after "general" insert **"and the professional licensing agency"**.

Page 2, line 26, delete "of" and insert **"and take enforcement action against real estate and"**.

Page 2, line 27, delete "chapter." and insert **"article. The attorney general and the professional licensing agency shall divide the money in the fund equally."**

Page 2, line 31, after "general" insert **"and the professional licensing agency"**.

Page 2, line 32, delete "employees, approved by" and insert

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"employees".

Page 2, line 33, delete "the board,".

Page 2, line 33, insert after "estate" insert "**fraud and real estate**".

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 433 as introduced.)

LONG, Chairperson

Committee Vote: Yeas 10, Nays 0.

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## COMMITTEE REPORT

Mr. Speaker: Your Committee on Commerce and Economic Development, to which was referred Senate Bill 433, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, line 9, after "of" insert **"administering and enforcing the provisions of this article, including"**.

Page 1, line 11, delete "fraud under this article." and insert **"fraud."**.

Page 2, line 2, strike "described in subsection (a)" and insert **"established under IC 25-1-8-2 to implement section 8 of this chapter"**.

Page 2, line 22, after "for" insert **"administering and enforcing the provisions of this article, including"**.

Page 2, line 23, after "fraud" delete "." and insert **"and real estate appraisal fraud."**.

Page 2, line 40, after "agency" insert **"to administer and enforce the provisions of this article and"**.

Page 3, line 8, after "employees" insert **"to administer and enforce the provisions of this article and"**.

and when so amended that said bill do pass.

(Reference is to SB 433 as printed February 28, 2003.)

STEVENSON, Chair

Committee Vote: yeas 11, nays 1.

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